

21st ANNUAL REPORT 2003

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ADDI INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	Shri C. L. Jain	-	Chairman & Managing Director
	:	Shri R. K. Khanna		
	:	Shri Harihar Lal		
	:	Dr. P. K. Hari		
	:	Shri Hari Bansal	-	Whole-time Director
	:	Shri S. C. Singhal	-	Whole-time Director
DIRECTOR (FINANCE) & COMPANY SECRETARY	:	Shri S. C. Singhal		
BANKERS	:	Punjab National Bank		
	:	Citibank, N.A.		
AUDITORS	:	M/s. S. R. Dinodia & Co. Chartered Accountants K-39 Connaught Circus New Delhi-110 001		
CORPORATE OFFICE	:	A-106, Sector IV Noida - 201 301 (U.P.)		
REGISTERED OFFICE	:	A-34, Industrial Area Sikandrabad - 203 205 (U.P.)		
WORKS	:	A-105, 106, Sector IV Noida - 201 301 (U.P.)	:	B-1, 2, 3, Hosiery Complex Phase-II, Noida (U.P.)
	:	C-227, Industrial Area Bulandshahr Road Ghaziabad (U.P.)	:	

Request to Members

1. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested kindly to bring their copies to the meeting.
2. Members/Proxy holders are requested to bring the Attendance Slip duly filled in for attending the Meeting.



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NOTICE IS HEREBY GIVEN that the Twenty-first Annual General Meeting of the Members of Addi Industries Ltd. will be held on Tuesday, the 23rd day of September, 2003 at 9.30 A.M. at the Regd. Office of the Company at A-34, Industrial Area, Sikandrabad - 203205, Distt. Bulandshahr (U.P.), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2003, Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2003.
3. To appoint a Director in place of Shri R.K. Khanna, who retires from office by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Harihar Lal, who retires from office by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors for the current year 2003-2004 & to fix their remuneration.

M/s. S.R. Dinodia & Co., Chartered Accountants, New Delhi, who hold office till the conclusion of this Annual General Meeting, being eligible, have furnished their consent and the requisite Certificate u/s 224(1-B) of the Companies Act, 1956.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri Hari Bansal, who was appointed as an additional director by the Board of Directors on 12th November, 2002, and in respect of whom the Company has received a Notice from a Member signifying his intention to propose the candidature of Shri Hari Bansal for the office of Director, be and is hereby appointed as a Director of the Company".

7. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 314, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the approval of the Central Govt., the consent and approval of the Company be and is hereby accorded to the appointment of and payment of the following remuneration to Shri Hari Bansal, as Whole-time Director of the Company, for a period of 5 years w.e.f. 12th November, 2002 to 11th November, 2007, appointed subject to the superintendence, control and direction of the Board of Directors and the Managing Director of the Company:

Salary (inc.dearness : Rs. 125000 (Rs. One Lac Twenty Five thousand) per month
allowance/s) in the scale of Rs. 125000-15000-155000-20000-195000.

Accommodation : Free furnished accommodation with gas, electricity & water.

Perquisites : As applicable to other Key/Senior Executives of the Company, namely:

- a) medical re-imbursement for self and family (equal to one month salary)
- b) car for official use
- c) P.F., Bonus, Gratuity and/or other Superannuation benefits, as per rules of the company.

Provided that the monetary value of the perquisites computed as per the Income-Tax Act, 1961 shall not exceed the annual salary in any year.

"RESOLVED FURTHER THAT the aforesaid remuneration and perquisites shall be paid to the Whole-time Director as minimum remuneration in the event of absence or inadequacy of profits in any year."



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"RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorised to alter and vary the remuneration payable to Shri Hari Bansal, subject to the approval of the Central Govt., such that the same shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force or as may hereafter be made by the Central Govt. in that behalf from time to time, or any amendment thereto) as may be agreed to between the Board and Shri Hari Bansal".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be required, and to take all such steps as may be necessary, proper or expedient to give effect to this Resolution".

8. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution**:

"RESOLVED THAT in partial modification of the earlier resolution/s passed by the Members at the Annual General Meeting held on 28th September, 2002, and in accordance with the provisions of Sections 198, 269, 309, 310, 314, Schedule XIII and all other applicable provisions of the Companies Act, 1956, and subject to the approval of the Central Govt., the consent and approval of the Company be and is hereby accorded to the revision by way of enhancement in the remuneration payable to Shri C.L. Jain, Managing Director, as under:

	Existing	Revised
a) Salary :	Rs. 125000 per month (in the scale of Rs.125000-125000-150000)	Rs.150000 per month
b) Accommodation :	Free furnished accommodation with servant, gas, electricity & water	
c) Perquisites :	Usual perquisites, as per Rules of the Company, namely:	
	a) Medical re-imbursement for self and family (equal to one month salary in a year)	
	b) Car for official use	
	c) P.F., Bonus, Gratuity and/or other Superannuation benefits.	
	d) Membership of 2 Clubs	
	e) Leave Travel Concession for self and family, once in a year	
	f) Personal Accident Insurance	
	g) Leave encashment	

Provided that the monetary value of the perquisites computed as per the Income-Tax Act, 1961 shall not exceed the annual salary in any year.

- d) All other terms and conditions will remain unchanged.

"RESOLVED FURTHER THAT the aforesaid enhanced remuneration shall be paid to the Managing Director as minimum remuneration in the event of absence or inadequacy of profits in any year."

"RESOLVED FURTHER THAT the aforesaid enhanced remuneration shall be paid to the Managing Director for the remaining period of his term from 12th November, 2002 to 30th September, 2003."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be required, and deemed necessary in the best interest of the Company".

9. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 314 Schedule-XIII & all other applicable provisions of the Companies Act, 1956, the consent & approval of the Company be and is hereby accorded to the re-appointment of Shri S.C. Singhal, as Whole-time Director, for a period of two years commencing from 29th January, 2003, and payment of remuneration of Rs. 29150 (Rupees Twenty nine thousand one hundred & fifty) per month by way of salary, perquisites and allowances, to him".



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"RESOLVED FURTHER THAT the aforesaid remuneration shall be paid to the Whole-time Director as minimum remuneration in the event of absence or inadequacy of profits in any year."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary the remuneration upto a maximum of Rs. 40000 (Rupees Forty thousand) per month, and to do all such acts, deeds and things as may be required & deemed necessary in the best interest of the Company."

10. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 314 and all other applicable provisions of the Companies Act, 1956, and subject to the approval of the Central Govt., the consent and approval of the Company be and is hereby accorded to the appointment of and payment of the following remuneration to Smt. Urmila Jain as General Manager (Production) of the Company on and w.e.f. 1st October, 2002:

- a) Salary : Rs. 1,25,000 per month (in the scale of Rs.125000-15000-155000-EB- 20000-195000)
 - b) Perquisites : Usual perquisites, as per Rules of the Company, namely:
 - a) Medical re-imbursement for self and family (equal to one month salary in a year)
 - b) Car for official use
 - c) P.F., Bonus, Gratuity and/or other Superannuation benefits
 - d) Leave encashment
 - e) Leave Travel Concession for self and family, once in a year
- Provided that the monetary value of the perquisites computed as per the Income-Tax Act, 1961 shall not exceed the annual salary in any year.

"RESOLVED FURTHER THAT the appointment of Smt. Urmila Jain shall be governed by all other terms & conditions applicable to the other senior/key executives of the Company, from time to time".

"RESOLVED FURTHER THAT the Board of Directors be and they are hereby authorised, subject to the approval of the Central Govt., to alter and vary the terms and conditions of the said appointment and/or remuneration (including perquisites) such that the same shall not exceed the maximum limit of Rs. 4 Lacs per annum at any point of time"

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be required, and deemed necessary in the best interest of the Company".

11. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution:**

"RESOLVED THAT in partial modification of the Resolution passed by the Members on 28th September, 2002, and in accordance with the provisions of Section 314 and all other applicable provisions of the Companies Act, 1956, and subject to the approval of the Central Govt., the consent and approval of the Company be and is hereby accorded to the revision by way of enhancement from the existing remuneration of Rs. 20000 per month to the following remuneration & perquisites to Shri Abhishek Bansal as Manager (Marketing), w.e.f. 1st July, 2003:

- a) Remuneration :Rs. 30,000 p.m., with further suitable revision/s from time to time upto the maximum of Rs. 1,00,000 p.m., over a period of 4 years.
- b) Accommodation : Free furnished accommodation.
- c) Perquisites : Usual perquisites, as per rules of the Company, namely:
 - a) Medical re-imbursement (equal to one month salary in a year)
 - b) Car for official use
 - c) P.F., Bonus, Gratuity and/or other Superannuation benefits.
 - d) Leave Travel Concession for self and family, once in a year.
 - e) Personal Accident Insurance
 - f) Leave encashment



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Provided that the monetary value of the perquisites computed as per the Income-Tax Act, 1961 shall not exceed the annual remuneration, in any year".

"RESOLVED FURTHER THAT the appointment of Shri Abhishek Bansal shall be governed by all other terms and conditions applicable to the other senior/ key executives of the Company, from time to time".

"RESOLVED FURTHER THAT the Board of Directors be and they are hereby authorised, subject to the approval of the Central Govt., to alter and vary the remuneration from time to time subject to the maximum of Rs. 1 Lac per month (besides perquisites), over a period of 4 years, and to do all such acts, deeds and things as may be required and deemed necessary, in the matter".

12. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 314, Schedule XIII and all other applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the approval of the Central Govt., the consent and approval of the the Company be and is hereby accorded to the appointment of Shri C.L. Jain, as Chairman & Mg. Director of the Company, for a period of 5 years w.e.f. 1st October, 2003 to 30th September, 2008 on the following remuneration:

- a) Salary : Rs.150000 (Rs. One Lac Fifty Thousand) per month
- b) Accommodation : Free furnished accommodation with servant, gas, electricity & water.
- c) Perquisites : Usual perquisites, as per Rules of the Company, namely:
 - a) Medical re-imbursement for self and family (equal to one month salary in a year)
 - b) Car for official use
 - c) P.F., Bonus, Gratuity and/or other Superannuation benefits.
 - d) Membership of 2 Clubs
 - e) Leave Travel Concession for self and family, once in a year
 - f) Personal Accident Insurance
 - g) Leave encashment

Provided that the monetary value of the perquisites computed as per the Income-Tax Act, 1961 shall not exceed the annual salary.

- d) Commission : 2% on the Net Profits of the Company.

"RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/ or remuneration, from time to time, subject to the approval of the Central Govt., and such that the same shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force or as may hereafter be made by the Central Govt. in that behalf from time to time, or any amendment thereto) as may be agreed to between the Board & Shri C.L. Jain".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper or expedient in the matter, to give effect to this Resolution".

13. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof for the time being in force, the Securities Contracts (Regulations) Act, 1956 and the rules framed thereunder, Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (including any amendment/ modification or re-enactment thereof), Listing Agreements and other applicable laws, rules, regulations and guidelines and subject



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to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board") which term shall be deemed to include any committee thereof, exercising the powers conferred on the Board by this resolution, the consent & approval of the Company be and is hereby accorded to the Board to Voluntarily Delist the Company's securities from (1) Delhi Stock Exchange and (2) Ludhiana Stock Exchange, at such times as the "Board" may think fit in this regard".

"RESOLVED FURTHER THAT the Board be and is hereby further authorised to take all necessary steps to seek voluntary Delisting of Equity Shares from the Delhi Stock Exchange and Ludhiana Stock Exchange and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to delisting of the Equity Shares from the aforesaid Stock Exchange and to execute all such deeds, documents, writings as may be necessary, desirable or expedient or as may be deemed fit and for this purpose to delegate the authority duly vested in it by virtue hereof to any other person whom the Board may consider suitable, to do the various acts, deeds and things required to be done in this behalf".

14. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(e) and any other applicable provisions of the Companies Act, 1956, the consent and approval of the Company be and is hereby accorded to the Board of Directors, to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts, in any financial year, not exceeding the sum of Rs. 34 Lacs (Rs. Thirty Four Lacs) or 10% of the average net profits of the Company as determined in accordance with the provisions of the Act *ibid*, whichever is greater".

Regd. Office :
A-34, Industrial Area,
Sikandrabad - 203 205 (U.P.)
Dated : August 14, 2003.

For & on behalf of the Board

S.C. Singhal
Director (Finance) & Secretary

Notes :

- (a) A Member entitled to attend and vote is entitled to appoint a Proxy. The Proxy need not be a Member of the Company. Proxies in order to be effective must be lodged with the Company not less than 48 hours before the Meeting.
- (b) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto and forms part of this Notice.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 17th day of September, 2003 to Tuesday, the 23rd September, 2003 (both days inclusive).
- (d) The dividend, as recommended by the Board, if sanctioned at the Meeting, will be paid on or after the 23rd September, 2003 to those members whose names stand registered on the Company's Register of Members:
 - (i) as Beneficial Owners as at the close of business hours on 16th of September, 2003, as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
 - (ii) as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 16th September, 2003.
- (e) To avoid the incidence of fraudulent encashment of the warrants, Members are requested to intimate the Company under the signature of the Sole/First Joint holder, the information relating to their Bank Account Number, and Name and address of the Bank/ Branch, type of Account (Savings/ Current



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- Account), so that the same can be printed on the Dividend Warrant.
- (f) The Company's Equity Shares are listed on the Delhi, Mumbai and Ludhiana Stock Exchange/s, and the listing fees have been duly paid.
 - (g) **NOMINATION** : Pursuant to new Section 109A inserted in the Companies Act, 1956 individual Shareholders holding Shares of the Company singly or jointly may nominate an individual to whom all the rights in the Shares of the Company shall vest in the event of death of the sole/all joint Shareholders.
 - (h) **DEMATERIALISATION** : The Equity Shares of the Company are dematerialised and the trading has to be compulsorily in demat mode. Those Shareholders who have not yet got their equity shares dematerialised may approach the Depository participant with whom they are maintaining account, for getting their Shares dematerialised.
 - (i) **REGISTRARS & TRANSFER AGENTS** : The Company has appointed **M/s. Beetal Financial & Computer Services (P) Ltd., 321-S, Chirag Delhi (Near Shahid Bhagat Singh College), New Delhi - 110 017, as its Registrars & Transfer Agents.** Shareholders may write to them also directly, or communicate with the Company at its Corporate Office, as they may like.
 - (j) Pursuant to the recommendation of SEBI Committee on Corporate Governance for appointment of the Directors/ reappointment of the retiring Directors, particulars of the concerned Directors are annexed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Special Business:

Items No. 6&7:

Shri Hari Bansal, a Graduate in Chemical Engg., was appointed as Manager (Admn. & Production Planning) w.e.f. 1st September, 1998. The consent of the Company pursuant to Section 314 and other applicable provisions of the Companies Act, 1956, was accorded at the Sixteenth Annual General Meeting held on 31st October, 1998. The remuneration was subsequently revised and enhanced to Rs. One Lac per month, as approved by the Members at their extra-ordinary General Meeting held on 6th January, 2001 and also approved by the Central Government u/s 314(1B) of the Act *ibid*.

Keeping in view his academic background, expertise and achievement/s, during the period of more than four years in the Company, and in order to broaden the Board by inducting technically and professionally qualified persons, the Board of Directors thought it expedient and co-opted Shri Hari Bansal as an additional Director, w.e.f. 12th November, 2002, and also appointed him as whole-time Director for a period of 5 years commencing from 12th November, 2002 to 11th November, 2007, at the remuneration as set out in the resolution, subject to your and the Central Govt. approval. The remuneration including perquisites is proposed to be paid as minimum remuneration in the event of absence or inadequacy of profits in any year.

Section 255 of the Companies Act, 1956 states that the Director shall be appointed in General Meeting. Also payment of remuneration to Directors pursuant to Sections 198/ 269/ 309/ 314/ Schedule XIII and any other applicable provisions of the Act *ibid*, requires Members' approval.

Shri Hari Bansal is a technically qualified Executive having adequate expertise in the relative textile sphere. Prior to his appointment as additional Director/ whole-time Director, he was working in the Company as Manager (Admn. & Production Planning). The Company has received a Notice u/s 257 of the Act *ibid* from a Member signifying his intention to propose the candidature of Shri Hari Bansal for appointment as Director of the Company. The Board of Directors feel that the availability of his expertise will be of immense help to the Company, and therefore, commend the resolution for his appointment as Director, and payment of remuneration as whole-time Director, for consideration and approval of the Members.

None of the Director/s, except Shri Hari Bansal himself, and Shri C.L. Jain, Chairman & Mg. Director, being related to him is, in any way, directly or indirectly, concerned or interested in the resolution. This may also be treated as an Abstract and Memorandum of Interest u/s 302 of the Companies Act, 1956.

Items No. 8:

Shri C.L. Jain was re-appointed as Managing Director of the Company for a period of five years commencing from 1st October, 1998 to 30th September, 2003, on the remuneration, as then approved by the Members at



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their Sixteenth Annual General Meeting held on 31st October, 1998. His remuneration was revised from time to time, the last being effective from 1st April, 2002 as under, which was also approved by the Members at the Twentieth Annual General Meeting held on 28th September, 2002:

	Existing	Revised
a) Salary:	Rs. 110000 (Rs. One Lac ten thousand) p.m. (in the scale of Rs. 100000-10000-130000)	Rs. 125000 (Rs. One Lac twenty five thousand) p.m. (in the scale of Rs. 125000-12500-150000)
b) Commission	: 1% on the Net Profits of the Co.	2% on the Net Profits of the Co.
c)	All other terms and conditions to remain unchanged.	

Keeping in view the gradual and steady growth in the business and exports of the Company, over the years under his dynamic leadership, control and direction of the affairs of the Company, and also keeping in view the liberalised guidelines on managerial remuneration issued by the Central Govt., from time to time, the status enjoyed and the standard of living of the Managing Director, the Board of Directors thought it expedient and quite justified, and revised, by way of enhancement, the remuneration as set out in the resolution effective from 12th November, 2002 till the period of his remaining term ending on 30th September, 2003, subject to your and the Central Govt. approval.

The remuneration including perquisites as set out in the resolution is proposed to be paid as minimum remuneration in the event of absence or inadequacy of profits in any year.

The Directors commend the resolution for the consideration and approval of the Members.

None of the Directors, except Shri C.L. Jain himself & Shri Hari Bansal, Director, being related to him, is, in any way, directly or indirectly, concerned or interested in the resolution. This may also be treated as an Abstract and Memorandum of Interest u/s 302 of the Companies Act, 1956.

Item No. 9:

Shri S.C. Singhal was re-appointed as whole-time director of the Company for a period of two years from 29th January, 2001 to 28th January, 2003, as approved by the Members at their Nineteenth Annual General Meeting held on 29th September, 2001. Shri Singhal, a Post Graduate in Economics, Commerce and Law besides being fellow Member of Professional body, the Institute of Company Secretaries of India, is having wide experience of more than 35 years in managing affairs of the Companies in finance, company law & other related fields.

Keeping in view his expertise in his professional field, the Board of Directors thought it expedient that the Company should continue to avail of his services as a whole-time Director, and re-appointed him for a further period of two years from 29th January, 2003 to 28th January, 2005 on the remuneration as set out in the resolution, subject to your approval. The remuneration including perquisites is proposed to be paid as minimum remuneration in the event of absence or inadequacy of profits in any year.

The Directors commend the resolution for the consideration and approval of the Members.

None of the Directors, except Shri S.C. Singhal himself is, in any way, directly or indirectly, concerned or interested in the resolution. This may also be treated as an Abstract and Memorandum of Interest u/s 302 of the Companies Act, 1956.

Item No. 10:

Smt. Urmila Jain, Director, was appointed as whole-time Director of the Company for a period of five years commencing from 1st December, 1996 to 30th November, 2001, on the remuneration then approved by the Members at their Fifteenth Annual General Meeting held on 30th June, 1997. She was re-appointed for a further period of five years commencing from 1st December, 2001 to 30th November, 2006 on the then existing remuneration of Rs. 1,00,000 per month, which was revised to Rs. 1,25,000 per month w.e.f 1st April, 2002 till the remaining period of her term upto 30th November, 2006.

Smt. Urmila Jain however resigned from the directorship & ceased to be whole-time Director of the Company w.e.f. 24th August, 2002. Her re-appointment and payment of remuneration, besides usual perquisites, was approved by the Members at their Twentieth Annual General Meeting held on 28th September, 2002 for the period from 1st December, 2001 to 31st March, 2002 (Rs. 1,00,000 Lac) and from 1st April, 2002 to 24th August, 2002 (Rs. 1,25,000) per month.



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Smt. Urmila Jain, a Post Graduate in English had been a Director of the Company, almost since inception and had long been associated with the Co. She has a rich and varied experience of more than three decades in her family business and in the Company mainly in the production and other related matters.

Keeping in view her academic background, the vast experience and expertise and being intimately associated and well acquainted with her job profile, the Board of Directors thought it expedient and appointed her as General Manager (Production) of the Company on and w.e.f. 1st October, 2002 on the remuneration and terms and conditions as set out in the resolution. The Company has made rapid strides in its turnover and exports during the period of her tenure as director/ whole-time director of the Company.

The Board of Directors, therefore, feel that the availability of her expertise will be of immense help to the Company. The Directors commend the resolution as set out in this item of the Notice, subject to your, and the Central Govt. approval.

None of the Director/s, except Shri C.L. Jain, Mg. Director, and Shri Hari Bansal, Director, being related to her, is, in any way, directly or indirectly, concerned or interested in the resolution. This may also be treated as an Abstract and Memorandum of Interest u/s 302 of the Companies Act, 1956.

Item No. 11:

Shri Abhishek Bansal was appointed as Manager (Overseas Operations) on & w.e.f. 1st July, 2002 at the remuneration of Rs. 20,000 per month, and the Members approval was accorded at their Nineteenth Annual General Meeting held on 28th September, 2002.

The Company has expansion-cum-diversification plans, inter alia, retail/ domestic marketing, forced by the growing complexities of/ in the international marketing. Shri Abhishek Bansal has now been entrusted and is looking after the setting up of the domestic and a chain of retail marketing setups, in technical consultancy from K.S.A. Technopack (I) Pvt. Ltd. The Board of Directors thought it expedient to re-designate him as Manager (Marketing) and revise his remuneration as set out in the resolution, effective from 1st July, 2003 keeping in view his day-to-day increasing activities, duties and functions, onerous responsibilities and the demands of his Office. Shri Abhishek Bansal is technically qualified, a graduate in Computer Software and has over the last one year, made a quick and intelligent grasp of the business activities of the Company.

Besides present enhancement in his remuneration from Rs. 20000 to Rs. 30000 p.m. plus other perquisites, it is proposed to alter and vary the remuneration, from time to time, subject to the maximum of Rs. one lac per month plus other perquisites, over a period of four years subject to the approval of the Central Govt.

Shri Abhishek Bansal has shown striking excellence, dynamism, perseverance, hardwork and objectiveness in his approach to work for the domestic marketing setup of the Company. The Directors commend the resolution as set out in this item of the Notice, for Members' consideration and approval.

None of the other Director/s, except Shri C.L. Jain, Mg. Director, and Shri Hari Bansal, Director, who are related to him, is, in any way, directly or indirectly, concerned or interested in the resolution. This may also be treated as an Abstract and Memorandum of Interest u/s 302 of the Companies Act, 1956.

Item No. 12:

The present term of the office of Shri C.L. Jain, as Chairman & Mg. Director, will be expiring on 30th September, 2003. Subject to the approval of the Members and the Central Govt., the Board of Directors have, at their Meeting held on 9th August, 2003, re-appointed Shri C.L. Jain for a further period of five years commencing from 1st October, 2003 to 30th September, 2008 on the remuneration determined by the Remuneration Committee of the Board of Directors, as set out in the resolution. The Remuneration Committee of the Board of Directors has recommended the same remuneration as was previously approved by the Members at their Twentieth Annual General Meeting held on 28th September, 2002, as further enhanced and now under Members' approval at the ensuing Annual General Meeting.

Shri C.L. Jain is the Chairman & Mg. Director of the Company since 1985. The Company has made rapid strides in its business activities, turnover/ exports and profitability over the years under his dynamic leadership, broad outlook and vision of the trade & industry, and day-to-day monitoring and effective control over the affairs of the Company. The existing highly improved performance of the Company also justifies the same.

The Board of Directors therefore, commend the resolution set out at this item of the Notice, for the approval and consideration of the Members.